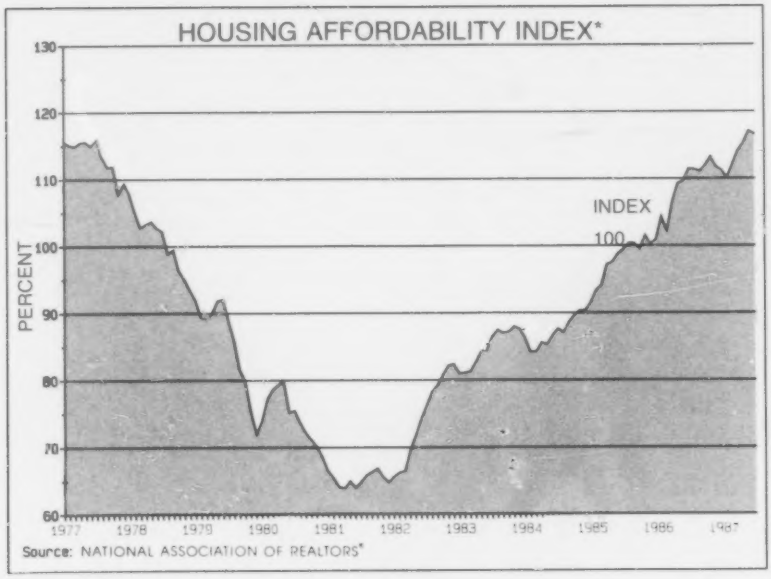
HOUSING AFFORDABILITY



Year	Median-Priced Existing Single-Family Home	Mortgage Rate**	Monthly P & I Payment[r]	Payment as % Income	Median Family Income	Qualifying Income***	Affordability Indexes		
							Composite	Fixed	ARM
1982	$67,800	15.38%	$702	35.9%	$23,433	$33,713	69.5	69.4	69.7
1983	70,300	12.85	616	30.1	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987[p]	84,900	9.28	560	21.6	31,100	26,891	115.7	109.0	123.9
1986									
Nov	$80,400	9.84%	$557	22.8%	$29,314	$26,729	109.7	105.7	119.0
Dec	80,800	9.65	551	22.4	29,458	26,430	111.5	107.1	119.8
1987									
Jan	$82,100	9.53%	$554	22.5%	$29,595	$26,578	111.4	108.6	118.8
Feb	85,000	9.21	557	22.5	29,417	26,732	111.1	108.3	118.0
Mar	85,600	9.09	555	22.3	29,868	26,661	112.0	109.8	119.5
Apr	85,000	9.09	552	22.1	30,005	26,475	113.3	111.3	121.2
May	85,200	9.27	562	22.4	30,142	26,963	111.8	109.0	120.0
Jun	85,200	9.38	567	22.5	30,279	27,224	111.2	105.5	121.9
Jul	86,200	9.41	575	22.7	30,416	27,616	110.1	101.9	119.5
Aug	85,100	9.40	567	22.3	30,553	27,240	112.2	103.8	121.3
Sep	85,100	9.25	560	21.9	30,689	26,884	114.2	104.7	122.8
Oct	84,800	9.22	557	21.7	30,827	26,718	115.4	104.2	123.7
Nov[r]	83,700	9.25	551	21.3	30,963	26,441	117.1	105.4	124.3
Dec[p]	84,400	9.25	555	21.4	31,100	26,663	116.6	106.1	122.4

r Revised
p Preliminary
* Index equals 100 when median family income equals qualifying income.
** Effective rate on loans closed on existing homes—Federal Home Loan Bank Board.
*** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		130,000	45,000	26,000	39,000	20,000
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987p		365,000	191,000	66,000	77,000	32,000
1986	III	346,000	183,000	63,000	70,000	31,000
	IV	403,000	211,000	67,000	85,000	40,000
1987	I	346,000	169,000	66,000	79,000	32,000
	II	368,000	192,000	65,000	79,000	32,000
	III	383,000	209,000	67,000	77,000	30,000
	IVp	355,000	172,000	68,000	81,000	33,000

TOTAL EXISTING HOME SALES
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		2,120,000	399,000	516,000	819,000	386,000
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987p		3,885,000	874,000	1,018,000	1,361,000	633,000
1986	III	3,930,000	880,000	1,040,000	1,360,000	650,000
	IV	4,290,000	960,000	1,100,000	1,480,000	750,000
1987	I	3,960,000	880,000	1,140,000	1,340,000	610,000
	II	3,980,000	890,000	1,040,000	1,390,000	660,000
	III	3,810,000	880,000	950,000	1,350,000	620,000
	IVp	3,780,000	830,000	940,000	1,370,000	640,000

MEDIAN SALES PRICE OF APARTMENT
CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$61,300	$55,200	$62,000	$97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987p		78,000	99,400	61,400	65,000	95,500
1986	III	$73,600	$85,000	$59,100	$66,500	$93,900
	IV	75,600	89,700	58,700	62,000	94,900
1987	I	$72,200	$85,500	$59,300	$63,300	$90,200
	II	78,000	98,800	59,400	69,000	95,700
	III	80,000	100,800	65,500	62,700	97,300
	IVp	79,000	105,600	58,900	61,400	97,000

p Preliminary

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE
SINGLE-FAMILY, APARTMENT CONDOS and CO-OPS
(Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1985	1986	1987[p]	1986	1987			
				IV	I	II	III	IV[p]
Alabama	59.7	60.8	59.7	69.1	59.2	63.9	57.1	59.2
Alaska	10.0	6.1	7.7	5.6	4.8	7.9	8.9	9.1
Arizona	71.7	73.8	67.3	73.1	45.5	84.4	68.6	65.9
Arkansas	49.8	52.8	48.2	57.5	50.7	52.4	46.8	44.0
California*	407.2	484.6	507.0	579.1	439.3	570.1	507.2	515.1
Colorado	49.3	47.5	46.7	52.7	56.3	50.7	40.2	41.8
Connecticut	56.0	52.0	52.5	65.0	51.7	49.9	54.5	50.8
Delaware	12.3	12.9	13.9	12.9	13.5	14.5	14.0	13.4
District of Columbia	9.9	11.6	10.5	12.1	12.3	10.1	10.4	9.3
Florida	151.3	169.4	184.2	217.7	160.1	186.4	179.8	206.1
Georgia	65.1	75.1	89.0	83.7	80.1	104.9	89.7	81.1
Hawaii	7.9	10.0	11.5	13.7	10.7	12.5	11.4	10.9
Idaho	11.5	11.3	10.9	11.9	13.2	10.6	9.4	11.3
Illinois	140.5	179.2	175.3	192.2	172.4	168.6	191.8	178.2
Indiana	90.1	86.1	89.8	91.3	100.2	99.2	83.5	75.2
Iowa	39.5	46.1	48.3	46.0	56.8	47.8	58.0	44.0
Kansas	47.4	54.4	54.4	57.2	62.9	56.0	49.0	47.9
Kentucky	57.7	58.6	64.1	69.1	51.8	63.4	62.8	78.3
Louisiana	44.1	34.0	40.4	35.3	44.0	39.8	41.2	37.8
Maine	27.1	30.8	35.2	36.5	29.5	39.5	35.1	33.4
Maryland	80.9	86.9	78.5	99.4	68.7	78.9	82.3	83.6
Massachusetts	80.5	84.6	100.5	94.0	86.5	113.7	97.2	100.4
Michigan	167.2	186.6	169.6	192.9	194.6	185.7	151.2	151.2
Minnesota	73.9	96.8	89.4	87.2	128.8	78.2	75.2	75.9
Mississippi	35.5	34.2	34.2	37.2	35.5	36.6	34.7	30.8
Missouri	85.8	88.4	88.4	100.0	96.5	90.4	81.3	83.3
Montana	11.1	11.9	11.6	12.2	10.7	12.4	10.5	12.6
Nebraska	24.5	25.5	23.3	26.4	31.0	26.5	20.3	20.3
Nevada	10.0	11.0	12.2	10.2	9.3	13.0	13.9	11.7
New Hampshire	19.3	20.3	19.2	24.6	23.0	13.4	20.4	22.5
New Jersey	148.8	159.6	157.3	165.1	163.1	169.4	160.5	130.0
New Mexico	19.8	19.5	20.0	22.7	21.0	21.3	19.9	17.1
New York	190.7	216.8	223.9	236.8	242.8	240.9	214.4	195.4
North Carolina	123.3	139.2	140.6	152.4	140.7	149.9	140.4	130.9
North Dakota	8.9	9.5	11.2	12.1	15.9	10.0	10.0	11.1
Ohio	162.5	179.9	180.9	205.0	189.6	189.6	166.4	174.1
Oklahoma	46.8	49.4	44.6	47.6	41.5	43.0	46.1	46.8
Oregon	39.3	45.0	48.5	54.1	48.7	45.4	47.4	50.0
Pennsylvania	210.8	258.3	259.5	304.5	267.8	229.8	286.8	275.7
Rhode Island	13.2	13.5	13.4	15.0	12.2	14.0	14.2	12.6
South Carolina	52.6	58.0	60.9	67.2	51.3	68.3	64.0	58.4
South Dakota	11.3	13.2	13.0	12.7	13.7	13.3	12.6	12.8
Tennessee	99.2	112.0	111.2	126.2	109.9	118.7	112.3	103.6
Texas	203.8	198.9	224.3	244.1	201.0	226.5	234.9	237.8
Utah	15.5	14.6	14.6	15.4	17.9	13.7	13.7	14.0
Vermont	9.9	12.4	13.6	14.6	12.8	15.9	13.1	11.9
Virginia	107.2	130.4	113.0	125.4	118.0	118.0	110.3	107.4
Washington	43.8	50.6	43.6	60.1	45.4	41.9	53.2	39.3
West Virginia	37.7	39.7	36.6	38.1	47.0	40.9	37.8	31.0
Wisconsin	65.5	76.9	73.3	82.5	83.1	76.1	59.8	71.4
Wyoming	6.5	6.1	6.0	6.6	6.7	6.6	4.8	6.1

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p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1985	1986	1987p	1986	1987			
				IV	I	II	III	IVp
Akron	$ 52.7	$ 56.2	$57.1	$ 56.7	$ 54.7	$ 56.9	$57.8	$58.1
Albany/Schenectady/Troy	60.3	72.7	86.4	76.3	80.1	86.5	88.6	90.2
Albuquerque	76.8	81.6	82.6	82.0	83.1	82.5	84.4	79.7
Orange County (Anaheim/Santa Ana MSA**)	136.2	147.7	166.9	152.4	156.1	167.3	167.7	174.5
Baltimore	72.6	74.0	80.6	74.3	81.0	76.8	81.9	84.4
Baton Rouge	74.6	70.9	67.8	68.5	68.3	68.1	69.2	65.4
Birmingham	64.5	68.3	71.5	66.7	67.5	72.7	71.6	73.8
Boston	134.2	159.2	176.8	167.8	170.0	175.8	181.6	178.6
Buffalo/Niagara Falls	46.7	52.4	56.5	53.5	55.6	56.5	55.9	57.6
Chicago	81.1	86.1	90.8	85.8	85.7	90.9	91.2	91.5
Cincinnati	60.2	n/a	66.0	n/a	63.8	65.9	68.8	68.2
Cleveland	64.4	66.9	68.4	65.1	n/a	n/a	68.5	67.4
Columbus	62.2	65.5	68.6	64.0	66.9	67.2	72.7	69.3
Dallas/Ft. Worth	87.7	92.8	89.1	89.8	91.2	90.0	89.3	85.6
Denver	84.3	86.4	88.9	85.8	89.9	88.2	91.0	86.4
Des Moines	52.5	55.9	55.6	55.0	55.9	56.8	56.2	52.0
Detroit	51.7	58.1	65.5	60.1	64.3	66.2	65.9	65.7
El Paso	57.6	59.0	59.2	58.5	58.0	58.0	62.6	58.5
Ft. Lauderdale/Hollywood/Pompano Beach	74.6	77.7	79.5	77.7	76.6	79.7	80.8	80.2
Grand Rapids	46.7	50.4	53.5	49.7	51.7	53.4	54.0	53.1
Hartford	99.6	129.0	157.4	134.6	136.6	157.0	165.4	163.8
Houston	78.6	69.9	65.8	67.6	64.7	67.4	67.3	62.7
Indianapolis	55.0	59.0	62.5	57.5	61.6	63.8	62.8	60.6
Jacksonville	58.4	62.8	66.1	62.7	62.7	65.8	66.3	65.2
Kansas City	61.4	65.4	70.8	65.1	72.9	71.1	69.2	68.2
Las Vegas	75.1	77.5	77.0	78.5	76.1	77.9	76.7	76.7
Los Angeles Area**	n/a	128.8	139.5	130.2	130.1	139.6	145.4	145.2
Louisville	50.6	51.7	51.7	51.9	52.1	53.4	53.3	53.4
Memphis	64.6	70.6	74.7	69.9	70.6	76.9	75.2	75.5
Miami/Hialeah	80.5	81.1	82.1	79.1	74.7	84.4	83.5	80.3
Milwaukee	67.5	69.9	69.6	69.2	67.8	71.7	70.9	70.2
Minneapolis/St. Paul	75.2	77.9	80.5	77.4	80.4	80.2	80.9	80.8
Nashville/Davidson	66.1	70.8	75.5	71.7	73.4	75.6	75.7	75.5
New York/Northern New Jersey/Long Island	134.0	160.6	178.5	167.6	169.4	183.0	183.0	180.8
Oklahoma City	64.7	63.0	62.2	62.9	62.4	65.2	61.4	59.4
Omaha	58.3	58.8	59.0	58.8	57.8	60.0	59.7	57.1
Orlando	70.3	72.5	76.2	72.1	73.6	76.4	72.9	78.6
Philadelphia	70.8	74.5	80.7	77.1	79.8	84.4	84.4	75.7
Phoenix	74.7	78.4	80.9	77.9	78.4	81.4	82.7	80.3
Portland	61.5	62.6	64.2	62.5	62.7	64.3	64.0	62.4
Providence	67.5	87.6	121.2	96.4	101.3	109.8	126.6	127.4
Rochester	64.2	68.3	72.2	69.1	69.5	72.3	74.1	72.6
St. Louis	65.7	70.9	74.2	71.9	71.9	74.7	75.7	73.2
Salt Lake City/Ogden	66.7	68.5	69.1	69.0	68.1	69.5	71.1	67.8
San Antonio	67.7	69.2	70.0	70.2	67.6	72.6	72.1	67.1
San Diego**	106.4	118.2	128.8	118.8	121.1	127.1	131.7	131.8
San Francisco Bay Area **	n/a	n/a	171.4	164.8	n/a	n/a	175.9	176.0
Syracuse	58.8	64.3	68.9	66.4	65.2	68.1	71.3	69.9
Tampa/St. Petersburg/Clearwater	58.4	61.1	63.7	62.4	59.8	64.9	65.0	63.3
Toledo, OH	51.9	56.0	56.4	53.2	53.4	58.2	56.9	52.9
Tulsa	66.7	65.5	65.7	63.4	64.1	67.4	66.7	63.0
Washington, D.C.	97.1	101.2	108.5	102.0	107.7	115.0	108.4	122.4
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	101.7	90.9	96.9	104.3	99.0	103.2

n/a Not Available

*All areas are metropolitan statistical areas (MSA) as defined by the U.S. Office of Management and Budget. They include the named central city and surrounding suburban areas. **Provided by the California Association of REALTORS®

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NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of units)

Year		Total	In structures with—			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1982		1,062	663	80	320	117	149	591	205
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987[p]		1,617	1,144	64	408	269	295	632	420
			Seasonally Adjusted Annual Rates						
1986	Nov	1,637	1,129	71	437	273	275	608	481
	Dec	1,813	1,233	108	472	309	394	602	508
1987	Jan	1,816	1,253	79	484	336	431	589	460
	Feb	1,838	1,303	76	459	291	371	675	501
	Mar	1,730	1,211	85	434	296	348	616	470
	Apr	1,643	1,208	67	368	272	305	665	401
	May	1,606	1,130	67	409	297	309	623	377
	Jun	1,586	1,088	85	413	256	287	607	436
	Jul	1,598	1,143	59	396	278	255	636	429
	Aug	1,585	1,111	59	415	250	272	641	422
	Sep	1,685	1,211	50	424	257	308	698	422
	Oct[r]	1,537	1,105	66	366	255	249	623	410
	Nov[r]	1,639	1,110	51	478	260	299	648	432
	Dec[p]	1,374	1,023	48	303	228	277	551	318

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Source: Census Bureau, U.S. Department of Commerce

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1982		412	47	48	219	99					
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	96	321	196					
1987[p]		674	117	98	271	188					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1986	Nov	691	141	77	299	174	48	10	5	21	12
	Dec	768	140	128	300	200	49	9	7	20	13
1987	Jan	712	146	95	290	181	53	10	5	23	15
	Feb	740	126	135	290	188	59	9	9	25	17
	Mar	720	124	106	290	200	73	11	11	30	21
	Apr	733	116	115	301	201	72	10	12	29	20
	May	649	110	86	271	183	62	11	9	25	17
	Jun	641	97	97	268	179	58	9	9	24	15
	Jul	671	117	93	269	191	55	10	8	22	15
	Aug	675	114	88	276	198	56	9	8	22	16
	Sep[r]	644	116	76	271	181	52	10	6	22	13
	Oct[r]	659	118	101	243	197	52	10	8	18	16
	Nov[r]	643	163	94	203	182	44	13	6	14	12
	Dec[p]	603	79	114	228	182	39	5	7	15	12

Components may not agree with totals due to rounding

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Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF NOVEMBER
(Percentage Distribution)

Price Class	Nov 1983	Nov 1984	Nov 1985	Nov 1986	Nov 1987[p]
Under $60,000	22	19	16	11	8
$60,000 to $79,999	34	31	25	24	12
$80,000 to $99,999	19	22	20	22	18
$100,000 to $119,999	7	9	11	13	16
$120,000 to $149,999	18	8	12	10	15
$150,000 and over	n/a	11	14	21	31
Median Sales Price	$75,900	$82,500	$87,200	$94,000	$119,000

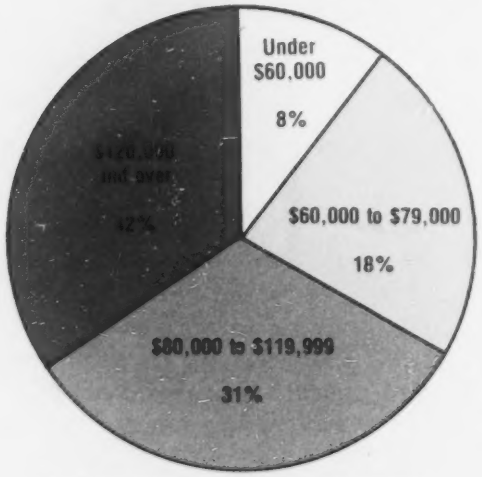
Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
THIRD QUARTER 1987[r]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	**	13	14	7
$60,000 to $79,999	18	**	26	26	11
$80,000 to $99,999	19	26	30	33	33
$100,000 to $119,999	12				
$120,000 to $149,999	16	74	30	27	49
$150,000 and over	26				
Median Sales Price	$108,000	$139,900	$90,000	$88,900	$119,000

** Insufficient Sample Size
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
THIRD QUARTER 1987[p]
(Percentage Distribution)



Source: Census Bureau, U.S. Department of Commerce
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NATIONAL ASSOCIATION OF REALTORS®
Economics & Research Division
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Washington, D.C. 20005

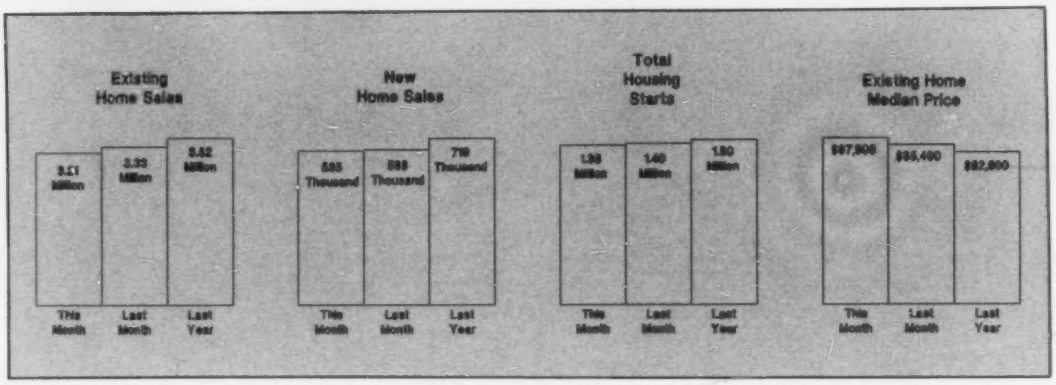
4/1/88 A 7000-2

Vol. 2, No. 2 February 1988

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new home sales activity declined for the third straight month as potential home buyers continued to stand on the sidelines amidst an atmosphere of economic uncertainty. Existing home sales volume slipped 3.6 percent while new home sales activity dropped 9.0 percent.
- The inventory of homes available for sale rose moderately with a seasonal gain in the supply of unsold existing homes increasing enough to offset a small decrease in unsold new homes. Currently, the supply of existing and new homes on the market is 8.6 months and 9.4 months, respectively.
- Housing starts in January reached a new 12-month low as the result of a 1.9 percent decline to a seasonally adjusted annual rate of 1,377,000 units. This amounted to a 23.6 percent drop from last year's level.
- Home prices continued their relentless upward trek. The median price of an existing single-family home increased 6.0 percent to $87,900 while the median price of a new home jumped 21.8 percent to $120,000 during that same period.
- Housing was somewhat less affordable because of increasing home prices and mortgage interest rates. The housing affordability index slipped 3.3 points to 112.5.

REALTOR®
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NATIONAL ASSOCIATION OF REALTORS®
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SURVEY DESCRIPTION

Publication

1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

SUBSCRIPTION INFORMATION

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Home Sales - Reflected Glory

Just a year ago we introduced *Home Sales,* a statistical publication on the U.S. housing market. Now, another change, but this one is one of style and form rather than substance. We're taking advantage of new technologies of desktop publishing to provide more meaningful graphics, more incisive analysis, and more timely delivery. This is accomplished at a price, however. The full-page graph showing both seasonally and not seasonally adjusted data is being deleted from the monthly report, although it will still be published in the annual summary.

This issue is more than a revised format, it is the beginning of the age of majority for Existing Home Sales statistics. Yes, the NATIONAL ASSOCIATION OF REALTORS® has been monitoring resale housing markets for over 20 years now. At such an awesome milestone it is natural to reflect back on what has happened.

In the last 20 years, the real estate market has been a thrill ride—with exhilarating highs and depressing lows. Through good times and bad, however, Americans continued to move—move to own a home, move to change jobs, move to accommodate a larger (or smaller) family. In fact, the last 20 years have seen the sale of 53.9 million single-family homes. That's roughly equivalent to every household who currently owns a home buying it in the last 20 years! The dollar value of those homes is staggering as well. Resale home sales have totalled $3.3 trillion in the last two decades.

Those home sales reflect broad demographic patterns as well. Despite sluggish economic and housing market performance during the last 2-3 years, the South has been the big winner in the last 20 years, with over one-third of the nation's home sales taking place in that region. Similarly, the long-term economic woes of the industrialized Northeast, its over crowding, urban density, and high prices, have kept home sales in that region smaller than its share of American families.

Housing has long been represented as an excellent savings vehicle for Americans, and the last 20 years have clearly pointed out that potential. In 1968 the typical resale home sold in the country for just over $20,000. In sharp contrast the median price resale home sold last year was $85,600—a price level 4 times as high. In fact the median home price has increased an average of 7.5 percent per year for the last 20 years. In comparison, the price level for purchases generally has increased just 6.0 percent annually. Is housing a hedge against inflation? You bet!

Just as the statistics portray a vital housing market, the statistics themselves have undergone change. In 1968 the Association was presenting an index of home sales activity. It wasn't until after the 1970 Census of Housing that the data could be benchmarked to a known number and transformed into a meaningful statistic for public release. Most users of this data are unaware that the original index-number approach is still used in the construction of the statistics.

Originally only median prices were reported. In 1975 the reporting was expanded to include average prices as well. After 1975 the statistics entered a dormant period as the Association focused research activities in other areas—a reflection of the needs of a rapidly growing number of REALTORS®. As 1980 approached, bringing with it a new decennial census a concerted effort was undertaken to increase the types of statistics collected. With the support of vendors of multiple listing computer hardware and software we were able to begin collecting information on condominium transactions as well as listings available for sale.

One more thing was needed to complete our expansion plans—more data. In 1968 only 114 local Boards of REALTORS® were reporting monthly sales statistics to the National office. Slight increases took place in the late 60s/early 70s and by 1977 there were 142 multiple listing services reporting each month. While these provided a more than adequate sample for preparation of national and regional statistics it just was not enough to produce state-level estimates of resale activity. Accordingly in 1978-1980 a major effort was undertaken to increase the number of reporters. Each year since then has seen a significant jump in the number of reporting boards, either directly to NAR or through their state Association. At the present time home sales from over 400 multiple listing services are tallied each month—home sales which represent over half of all home sales. The sample is fantastic, but we're never satisfied. As the 1990 Census approaches we are once again trying to augment the sample across the board.

Clearly the success of our now mature statistical endeavor must be credited to the Executive Officer and staff of each local Board or multiple listing service which takes time out of their busy schedule to prepare and send in the monthly statistics, and put up with our urgent phone calls if the data has not arrived in the mail by the 20th of the following month. From all the producers and users of this data to all the providers of the statistics, and the tens of thousands of REALTORS® they represent, THANKS!

Glenn E. Crellin
Division Vice President
Economics and Research Division

HOME SALES – JANUARY 1988

Existing and new single-family home sales declined for the third straight month in January as recession-conscious potential home buyers continued a wait-and-see approach toward their home purchase plans. Existing home sales volume slipped 3.6 percent to a seasonally adjusted annual rate of 3,210,000 units while new home purchases dropped a rather steep 9.0 percent to an annual rate of 535,000 units.

Regional comparisons of existing home sales reveal decreases in three of the four regions with the West and South registering the largest declines – 12.3 percent to 500,000 units and 9.7 percent to 1,120,000 units, respectively. Sales in the Northeast were off the least with a 4.7 percent decline to a seasonally adjusted annual rate of 640,000. By contrast, sales in the Midwest – supported by strong automobile sales and agricultural exports – picked up to a rate of 920,000 units, their highest level in eight months.

Regional analysis of new home sales shows a mixed pattern. While sales in the West were up a sharp 23 percent to a 91,000 unit rate, this was still the second lowest level during the past twelve months and 38.1 percent below January of last year. The West was virtually unchanged from last month at a 179,000 unit annual rate while steep declines were reported by the Midwest and South which were off 13.7 percent to 88,000 units and 24.4 percent to 177,000 transactions, respectively.

Inventory Available For Sale

The inventory of unsold homes rose moderately in January with an increase in the supply of existing homes accounting for the full amount of the gain. The number of existing homes available for sale increased by 140,000 units to 2,300,000; this is typical seasonal behavior for reflecting the homeseller's preference to postpone listing their property until just after the holiday period. Concurrently the supply of new homes declined by 1,000 units to a total 367,000 units. Caution has been the pattern for builders for several months. At least so far they are avoiding a rapid inventory accumulation.

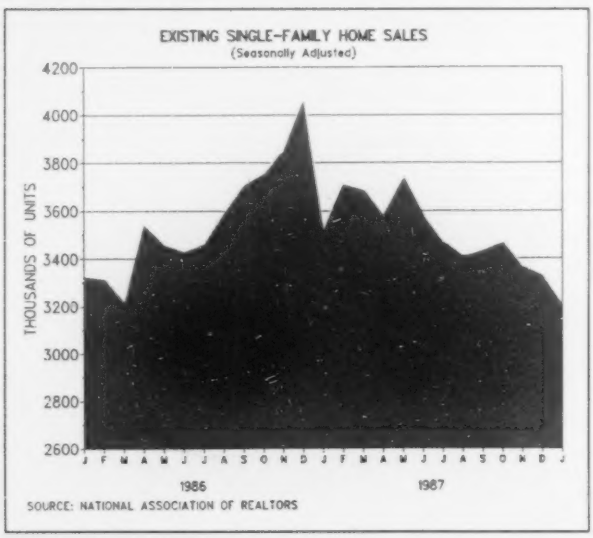
The months' supply of homes available for sale mirrored the changing inventory – up moderately for existing homes to 8.6 months and down marginally for new homes to 9.4 months.

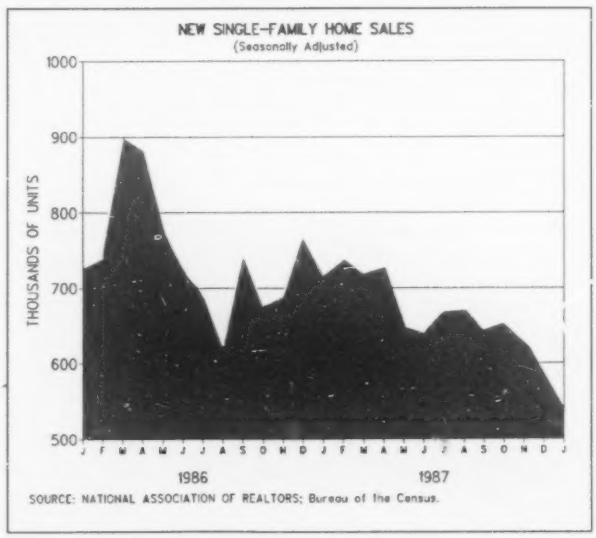
While the months' supply of existing homes has tended to be on a plateau, varying for the most part within a one percentage point range, the supply of new homes on the market – at 9.4 months – was just below its 12-month high of 9.7 months established in December, reflecting the slowdown in the rate of new home sales.

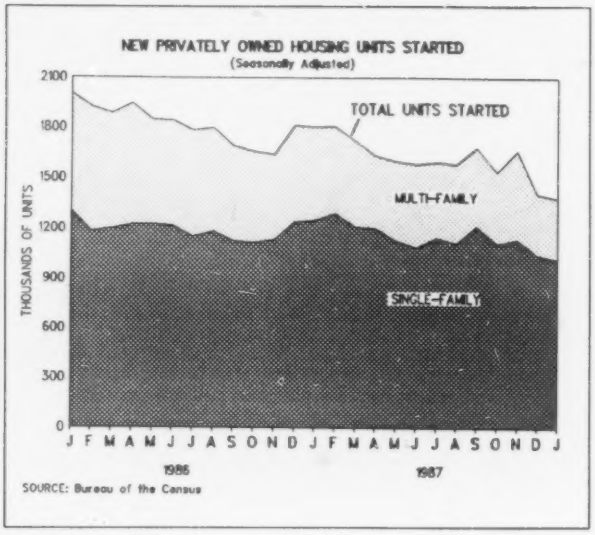
Housing Construction

New home construction extended its lacklustre performance in January by touching a new 12-month low – down 1.9 percent to a seasonally adjusted annual rate of 1,377,000 units. While this was a modest decline, it amounts to a 23.6 percent drop from the pace of a year ago. The brunt of the January decrease was borne by the one-unit structures which were off 2.9 percent to a rate of 1,011,000 units – 18 percent below last January. Construction of buildings with two-to-four units and five units or more was about even with last month. Starts of both types, however, were well below the pace of a year ago – about 35 percent.

Regional comparisons show some sharp contrasts. After hitting a 12-month low in December, activity in the Northeast and West bounced up sharply for gains of 27.6 percent to a 291,000 a unit rate and 21.2 percent to 394,000 units, respectively. By contrast, construction activity hit new 12-month lows in the Midwest and South with decreases of 21.8 percent to a 223,000 unit rate and 17.1 percent to a 469,000 unit pace, respectively.

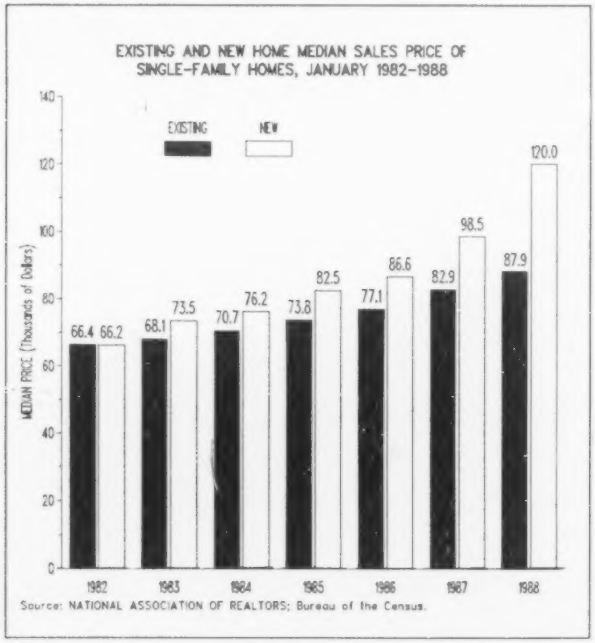






Home Sales Prices

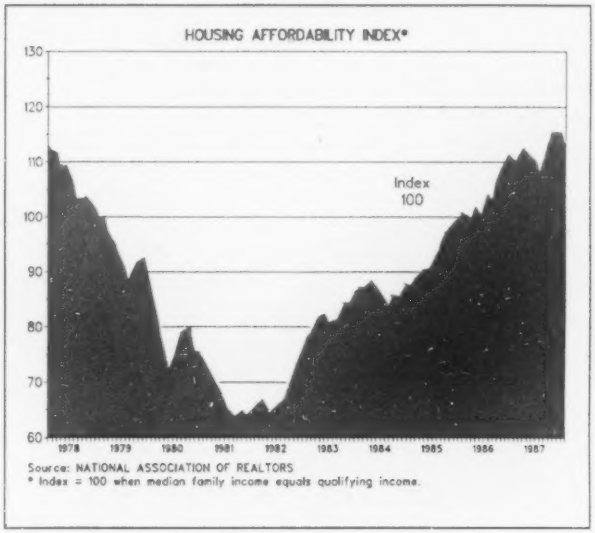
Existing and new home prices continue to escalate despite the recent softness in the housing market. The median price of an existing single-family home jumped $2,500 to $87,900, 6.0 percent above January 1987 while the median price of a new home gained $10,600 to $120,000, up 21.8 percent from a year ago – an all time high. Regionally, there were year-to-year resale price gains across the board with the Northeast posting a sharp increase of 8.8 percent to $135,300. Price advances in the other three regions were more moderate with the next highest increase in the South, up 3.7 percent to $82,000 followed closely by the Midwest which gained 3.1 percent to $67,400. Prices in the West increased a nominal 1.2 percent to $116,500.



Resale Housing Affordability

An increase in the median price of an existing single-family home coupled with a slight increase in mortgage interest rates pushed the affordability index 3.3 points lower to 112.5. This index level means a family earning the median income of $31,242 had 112.5 percent of the income required to qualify for a conventional loan covering 80 percent of the median existing home price of $87,900.

The spread between fixed-rate and adjustable-rate affordability indexes narrowed marginally to 16.7 from 16.8 in December after reaching 19.6 points in October. Since that time, ARM's offered a particularly attractive alternative to fixed-rate mortgages – an alternative now being used by over half the mortgage seekers in the nation.



Condominium/Cooperative Resales

Nationally, fourth quarter apartment condominium/cooperative resales declined 48,000 units to a seasonally adjusted rate of 355,000 units, 11.9 percent below the fourth quarter of 1986 – a particularly strong period for single-family home resales in general.

Regional comparisons of fourth quarter 1987 with that of 1986 indicate a steady market in the Midwest while the other three regions posted declines. The West reported the sharpest decrease with a drop of 21.2 percent to a 33,000 unit rate. The Northeast was also down substantially with an 18.5 percent loss to a 172,000 unit pace. The South followed with a 4.7 percent decrease to an 81,000 unit rate.

Nationwide, fourth quarter apartment condo/co-op prices increased $3,400 to $79,000, 4.5 percent above the same quarter of a year ago. Regional comparisons show that three of the four regions posted increases. The greatest gain was in the Northeast, up 17.7 percent

to $105,600. Increases were also registered in the West, 2.2 percent to $97,000, and the Midwest, up nominally at $58,900, The South was off about one percent to $61,400.

Overall, apartment condo/co-op prices appreciated faster than single-family home in 1987. Nationwide, price appreciation in 1987 was 7.4 percent for condo/co-op housing versus 5.7 percent for single-family dwellings.

State Home Resales

On a national basis, fourth quarter total existing home sales including apartment condominium and cooperatives decreased less than one percent to a seasonally adjusted annual rate of 3,780,000 units, 11.9 percent below the same quarter of a year ago.

Regional comparisons reveal sales were down across the board. The number of transactions in the Northeast dropped 13.5 percent to an 830,000 unit pace. Resales in the Midwest and West fell nearly 15 percent to 940,000 and 640,000 units, respectively. Sales activity in the South slipped 7.4 percent to a seasonally adjusted rate of 1,370,000 units.

Just how much the overall sales volume statistic is influenced by the larger states is shown below. The top ten volume leaders were: California (515,000), Pennsylvania (275,000), Texas (237,800), Florida (206,100), New York (195,400), Illinois (178,200), Ohio (174,100), Michigan (151,200), North Carolina (130,900), and New Jersey (130,000). These top ten states account for 58.1 percent of all existing home sales while the top five states volume equates to 32.4 percent of all activity.

Metropolitan Home Prices

Despite the overall price appreciation of existing homes in our survey, increases among individual areas were not uniform over all four quarters of 1987.

There were, however, eleven metropolitan areas that reported steady year-to-year price increases of five percent or more in each of the four quarters. In fact, four of the eleven registered double digit increases of 10 percent or more. Those consistently registering increases of 10 percent or more were Albany/Schenectady/Troy; Orange County, California(Anaheim/Santa Ana MSA); Hartford; Providence; and Washington, DC.

Conversely, there were four metropolitan areas with persistent price weakness. The magnitude of the declines wasn't as great as the price increases mentioned above. Those mets with successive year-to-year quarterly price decreases were Baton Rouge; Dallas/Ft. Worth; Houston; and Omaha.

STATE HOME RESALES

(Change from 4th Quarter 1986)

Down 10.0% or More		Down 0.1 - 9.9%		Up 0.1 - 9.9%	Up 10% or More
Alabama	Nebraska	Arizona	Texas	Delaware	Alaska
Arkansas	New Jersey	Florida	Utah	Louisana	Kentucky
California	New Mexico	Georgia	Wyoming	Massachusetts	Nevada
Colorado	New York	Idaho		Montana	
Connecticut	North Carolina	Illinois		South Dakota	
District of Columbia	Ohio	Iowa			
Hawaii	Rhode Island	Maine			
Indiana	South Carolina	New Hampshire			
Kansas	Tennessee	North Dakota			
Maryland	Vermont	Oklahoma			
Michigan	Virginia	Oregon			
Minnesota	Washington	Pennsylvania			
Mississippi	West Virginia				
Missouri	Wisconsin				

METROPOLITAN HOME SALES PRICE

(Change from 4th Quarter 1986)

Down	Up 0.1 - 4.9%	Up 5.0 - 9.9%	Up 10% or More
Albuquerque	Akron	Boston	Albany/Schenectady/Troy
Baton Rouge	Cleveland	Buffalo/Niagara Falls	OrangeCounty(Anaheim/Santa Ana MSA)
Dallas/Ft. Worth	Denver	Chicago	Baltimore
Des Moines	El Paso	Columbus	Birmingham
Houston	Ft. Lauderdale/ Hollywood/ Pompano Beach	Detroit	Hartford
Las Vegas	Jacksonville	Grand Rapids	Los Angeles Area
Oklahoma City	Kansas City	Indianapolis	Providence
Omaha	Louisville	Memphis	San Diego
Philadelphia	Miami/Haileah	Nashville/Davidson	Washington, DC
Portland	Milwaukee	NewYork/Northern New Jersey/Long Island	West Palm Beach/Boca Raton/ Delray Beach
Salt Lake City/Ogden	Minneapolis/St. Paul	Orlando	
San Antonio	Phoenix	Rochester	
Toledo	St Louis	San Francisco Bay Area	
Tulsa	Tampa/St. Petersburg/ Clearwater	Syracuse	